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American Recovery and Reinvestment Plan: Creating Jobs by Modernizing Roads, Bridges, Transit and Waterways

To build a 21st century economy, we must create jobs rebuilding our crumbling roads and bridges, modernizing public buildings, and putting people to work cleaning up our air, water and land. The American Recovery and Reinvestment Act will make large investments to repair and modernize thousands of miles of roadways in the U.S. and providing new mass transit options for millions of Americans. These provisions in total would create about 1.5 million American jobs—almost half the jobs in the plan as a whole. Unprecedented accountability and transparency measures are built in to the legislation to ensure that tax dollars are spent wisely.

“Increasing infrastructure spending will also greatly boost the economy... Most of the infrastructure money will be spent on hiring workers and on materials and equipment produced domestically.” (Chief Economist Mark Zandi of Moody’s Economy.com, 1/21/09, P.9)

“Increased infrastructure spending is ... a particularly effective way to stimulate the economy...The boost to GDP from every dollar spent on public infrastructure is large—an estimated \$1.59—and there is little doubt that the nation has underinvested in infrastructure for some time, to the increasing detriment of the nation’s long-term growth prospects.” (Chief Economist Mark Zandi of Moody’s Economy.com, 1/21/09, P.11)

Modernizing Roads and Bridges (Creates 835,000 jobs)

- Creates 835,000 jobs through investment in transportation, with \$30 billion for highway construction. These projects create jobs in the short term while saving commuters time and money in the long term.
- States have over 5,100 projects totaling over \$64 billion that could be under contract within 180 days.
- In 2006, the Department of Transportation estimated \$8.5 billion was needed to maintain current systems and \$61.4 billion was needed to improve highways and bridges.
- Includes strict accountability measures to ensure that highways and transit funds get out the door quickly to create jobs. Requires states to obligate 50 percent of the highway and transit funding within 180 days or the Transportation Department can reclaim some of the states’ highway/transit funding in the bill.

Improving Public Transit and Rail (Creates 200,000 Jobs)

- Creates 200,000 jobs by making investments in transit and rail to reduce traffic congestion and our dependence on foreign oil (\$10 billion). Provides funds for new construction of commuter and light rail, modernizing existing transit systems, and purchasing buses and equipment needed to increase public transportation and improve intermodal and transit facilities.
- Improves the speed and capacity of intercity passenger rail service through grants for Amtrak and intercity passenger rail construction.
- Public transportation saves as much as 4.2 billion gallons of gasoline and reduces carbon emissions by 37 million metric tons each year.

- There are 787 ready-to-go transit projects totaling \$15.9 billion and \$1.6 billion in ready-to-go state intercity passenger rail projects. [American Public Transit Association; States for Passenger Rail Coalition]

Modernizing Federal and Public Infrastructure to Lower Energy Costs

- Makes an historic investment in upgrading federal buildings and making them energy efficient -- as part of an effort to modernize more than 75% of federal building space and save taxpayers \$2 billion per year in lower federal energy bills.
- The federal government is the world's largest consumer of energy.
- This will help spur jobs in the green building industry as well as save taxpayer money.

Prioritizing Clean Water/Flood Control/Environment Restoration (Creates 375,000 Jobs)

- Creates more than 375,000 jobs by modernizing our nation's water systems to strengthen the safety and cleanliness of our water and to ensure that 3.4 million rural households have new or improved service.
- Experts note that \$16 billion in water projects could be quickly obligated. [National Governors' Association and the Association of State and Interstate Water Pollution Control Administrators]
- Expands efforts at environmental restoration, flood protection, hydropower, and navigation infrastructure and providing clean, reliable drinking water to rural areas critical to the economy through the Army Corp of Engineers and the Bureau of Reclamation.
- Strengthens **environmental cleanup** efforts for Superfund, cleanup of petroleum leaks from underground storage tanks, nuclear waste cleanup, and brownfields that have the added benefit of creating jobs.

Building Energy Efficient and Affordable Housing

- Puts people to work building, repairing and modernizing housing, reducing long term utility costs and helping those most affected by the housing crisis.
- Repairs and modernizes public housing, with 20 percent of the investment dedicated to energy efficiency. Every dollar of these public housing expenditures produces \$2.12 in economic return.
- Helps local communities build and rehabilitate low-income housing using green technologies. Thousands of ready-to-go housing projects have been stalled by the credit crunch.
- Provides for the purchase and rehabilitation of foreclosed, vacant properties by local communities in order to create more affordable housing and reduce neighborhood blight.
- Supports \$22 billion in direct loans and loan guarantees to help rural families and individuals buy homes during the credit crunch.

Building 21st Century Schools

- Creates new modernization, renovation, and repair programs for schools and colleges, with a minimum of 25 percent of the funds focused on green building projects. This will create construction jobs and spur the green building industry.